



# PUBLIC NOTICE

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DA 18-481

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## WIRELINE COMPETITION BUREAU RELEASES ILLUSTRATIVE MODEL RESULTS TO AID PREPARATION OF COMMENTS IN RESPONSE TO *2018 RATE-OF-RETURN REFORM NPRM*

WC Docket No. 10-90

The Wireline Competition Bureau (Bureau) announces the availability of illustrative model results intended to aid parties that are preparing comments in response to the *2018 Rate-of-Return Reform NPRM*.<sup>1</sup> In that NPRM, the Commission sought comment on, among other matters, whether to provide a new model offer based on revised parameters to carriers that would receive less support under the model than under legacy rate-of-return support mechanisms.<sup>2</sup> It also sought comment on a proposal to exclude from the rate-of-return budget constraint mechanism an amount equal to 80 percent of a carrier's new model offer.<sup>3</sup> In addition to making the new version of the model available, the Bureau is releasing summary reports based on that model to aid parties in preparing comments on these proposals.

The first reports (Reports 12 and 13) set forth revised offers of support and obligations for the proposed new model offer.<sup>4</sup> Report 12 reflects a revised funding threshold of \$39.38 and a revised funding cap of \$159.22 for Tribal areas only. For non-tribal areas, the report reflects a funding threshold of \$52.50 and a funding cap of \$146.10.<sup>5</sup> Report 13 utilizes a non-tribal funding threshold of \$52.50, but increases the funding cap to \$200.00, while setting the Tribal funding threshold at \$39.38 and the Tribal funding cap at \$213.12. Consistent with prior A-CAM offers, the offers of support illustrated in these reports would be available to holding companies for all of their commonly owned operating companies within a state.

The second report (80 Percent Minimum Report) is intended to aid parties in commenting on the Commission's proposal to establish a minimum amount of support for carriers receiving legacy rate-of-

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<sup>1</sup> *Connect America Fund; ETC Annual Reports and Certifications; Establishing Just and Reasonable Rates for Local Exchange Carriers; Developing a Unified Intercarrier Compensation Regime*; WC Docket Nos. 10-90, 14-58, and 07-135, CC Docket No. 01-92; Report and Order, Third Order on Reconsideration, and Notice of Proposed Rulemaking, FCC 18-29 (rel. Mar. 23, 2018) (*2018 Rate-of-Return Reform Order and NPRM*).

<sup>2</sup> *Id.* at paras. 117-137.

<sup>3</sup> *Id.* at para. 152.

<sup>4</sup> The reports are available at [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-350659A1.xlsx](https://apps.fcc.gov/edocs_public/attachmatch/DOC-350659A1.xlsx); [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-350658A1.xlsx](https://apps.fcc.gov/edocs_public/attachmatch/DOC-350658A1.xlsx).

<sup>5</sup> *2018 Rate-of-Return Reform Order and FNPRM*, at paras. 62-68.

return support that would not be subject to the budget constraint mechanism.<sup>6</sup> Specifically, the Commission suggested that one alternative would be to set uncapped support for each carrier at a level equal to 80 percent of the carrier's model offer (based on a funding cap of \$146.10 per location).<sup>7</sup> The report shows for each study area currently receiving rate-of-return legacy high-cost support: 2017 claims (less CAF ICC) prior to the application of the budget control; 2017 claims (less CAF ICC) after application of the budget control; the amount equal to 80 percent of the model offer for that study area; and a hypothetical estimate of 2017 support using the 80 percent amount as a minimum guarantee, consistent with the rule as proposed in the *NPRM*.

The model methodology for A-CAM is available at <https://www.fcc.gov/general/rate-return-resources#model>. The A-CAM is available at <https://www.fcc.gov/general/rate-return-resources#model> or <https://cacm.usac.org/>. In order to access the model, parties must execute the relevant acknowledgement of confidentiality, licensing, and nondisclosure documents released as attachments to a *Third Supplemental Protective Order* if they have not already done so.<sup>8</sup>

For additional information on this proceeding, contact Ted Burmeister ([Theodore.Burmeister@fcc.gov](mailto:Theodore.Burmeister@fcc.gov)) of the Wireline Competition Bureau, Telecommunications Access Policy Division, (202) 418-7400.

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<sup>6</sup> The report is available at [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-350659A1.xlsx](https://apps.fcc.gov/edocs_public/attachmatch/DOC-350659A1.xlsx); [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-350658A1.xlsx](https://apps.fcc.gov/edocs_public/attachmatch/DOC-350658A1.xlsx).

<sup>7</sup> *2018 Rate-of-Return Reform Order and FNPRM*, at para. 152.

<sup>8</sup> See *Connect America Fund*, WC Docket No. 10-90, Third Supplemental Protective Order, 27 FCC Rcd 15277 (Wireline Comp. Bur. 2012).